

Provider Agency Audit Guide

Comparison of Previous Guide and 1999 Revision

Previous Guide	1999 Revision
<i>Threshold for requiring an audit</i>	
\$25,000 in funding from DHFS, DOC, or DWD Divisions of Economic Support and Vocational Rehabilitation, whether received directly from the one of these state agencies or passed through another agency, such as a county. The <i>Guide</i> also applied regardless of whether the funding was from a state or federal program.	No change. (However the state agencies that use the Guide have a request to the legislature to increase the audit threshold. The Guide is designed to work under either the existing or new threshold. Check the web at www.dhfs.state.wi.us/grants for updates on the change to the threshold.)
<i>Type of audit</i>	
One type of audit, an agency-wide financial statement audit, performed in accordance with: <ul style="list-style-type: none"> • Generally accepted auditing standards • <i>Government Auditing Standards</i> • <i>Provider Agency Audit Guide</i> • Federal OMB Circular A-133, when applicable by federal standards. 	The same standards apply to audits performed under the 1999 revision to the <i>Guide</i> as had applied to the audit under the previous <i>Guide</i> . The default audit under the 1999 revision is an agency-wide audit. However, granting agencies may use a risk-based approach to waive the audit or to specify one of three types of audits as the minimum audit the provider must have: <ul style="list-style-type: none"> • Agreed-upon procedures (Section 4.1) • Program audit (Section 4.2) • Agency-wide audit (Section 4.3)
<i>Program-level testing</i>	
The previous guide did not require program-level testing.	<p>All audits under the 1999 revision require program-level testing:</p> <ul style="list-style-type: none"> • Agreed upon procedures – for the programs covered in the agreement with the granting agency (Section 4.1) • Program audit – for all department programs (Section 4.2) • Agency-wide audit – for selected department programs (Section 4.3) <p>Auditors test five characteristics at the program level, and they will need to review contracts and other guidance to identify program-specific requirements for these characteristics:</p> <ul style="list-style-type: none"> • Activities allowed and unallowed (Section 5.1) • Allowable costs (Section 5.2) • Eligibility (Section 5.3) • Matching, level of effort and earmarking (Section 5.4) • Reporting (Section 5.5)

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Comparison of Previous Guide and 1999 Revision, continued

Previous Guide	1999 Revision
<i>Required audit testing</i>	
The previous <i>Guide</i> required general compliance requirements for all audits.	The general compliance requirements from the previous <i>Guide</i> are incorporated in the compliance requirements and report elements sections of the 1999 revision.
<i>The general compliance requirements in the previous guide...</i>	<i>... are now in these sections of the 1999 revision:</i>
<ul style="list-style-type: none"> • Cost allocation or indirect cost plans 	<ul style="list-style-type: none"> • Allowable costs (Section 5.2)
<ul style="list-style-type: none"> • Disclosure of adjustments to reported expenses 	<ul style="list-style-type: none"> • Reporting (Section 5.5)
<ul style="list-style-type: none"> • Tests of charges 	<ul style="list-style-type: none"> • Allowable costs (Section 5.2)
<ul style="list-style-type: none"> • Supplemental schedule 	<ul style="list-style-type: none"> • Report elements – required only if specified in the contract (Section 7.1.7)
<ul style="list-style-type: none"> • Incorporated group home and child caring institutions. Audit guidance for reserves was part of guidance for group homes and child caring institutions 	<ul style="list-style-type: none"> • Group home and child caring institution schedule is in report elements section (Section 7.1.5). • Reserves are now addressed in a separate section to highlight that this option is available to non-profit organizations that use a prospectively set rate for client services (Section 7.1.6)
<ul style="list-style-type: none"> • Related party transactions 	<ul style="list-style-type: none"> • Allowable costs (Section 5.2)
<ul style="list-style-type: none"> • Monitoring subrecipients 	<ul style="list-style-type: none"> • Activities allowed and unallowed (Section 5.1)
<ul style="list-style-type: none"> • Summary of audit results 	<ul style="list-style-type: none"> • Report elements (Section 7.2.7)